IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX REFERENCE NO.321 OF 1998

The Commissioner of Income-tax ..Applicant.

V/s.

M/s.Marshall Product Brokers ..Respondent.

Mr.A.S.Rao for applicant.

CORAM : V.C. DAGA AND
J.P.DEVADHAR, JJ.

DATED : 15TH MARCH, 2005.

P.C. :-

1. In this reference, the questions referred for the opinion of this Court read as under :-

> "1. Whether, on the facts and in the circumstances of the case, the Tribunal was right in law in holding that the disallowance out of expenditure incurred on salary and perquisites to employee-directors should be made under the provsions of section 40(c) of the Income-tax Act, 1961 and not under Section 40A(5) of the Act would be applicable ?
>
> 2. Whether on the facts and in the circumstances of the case, the Tribunal was right in law in deleting the interest u/s.216 of Rs.24,930/- for Assessment Year 1982-83 ? "

2. The above questions have already been answered by the Division Bench of this Court in the case of **C.I.T.**

V/s. Hico Products Pvt.Ltd. (No.1) [(1993) 201 I.T.R. 567 (Bom.) in favour of the assessee and against the revenue. In this view of the matter, questions stand answered in affirmative for the reasons stated in the case of Hico Products (P) Ltd. Reference, accordingly stands disposed of with no order as to costs.

(V.C. DAGA, J.)

(J.P.DEVADHAR, J.)